Balance of payment position

†3166. PROF. M.M. AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) the actual position of the balance of payment as on date;

(b) whether it is a fact that the balance of payment is in adverse condition; and

(c) if so, the effective steps taken or proposed to be taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) India's overall balance of payments (BOP) recorded a surplus for the fifth year in succession at US $ 5.9 billion during 2000-01. Merchandise trade deficit, on BOP basis, narrowed from US $ 17.8 billion in 1999-2000 to US $ 14.4 billion in 2000-01. The surplus in the invisibles account was at US $ 11.8 billion in 2000-01 which helped to contain the current account deficit at about US $ 2.6 billion in fiscal 2000-01. As a result, current account deficit as proportion of GDP was halved to a modest level of 0.5 per cent in 2000-01 as compared with .1.1. per cent in 1999-2000. According to latest information, the overall balance of payments recorded a surplus of US $ 5.6 billion during April-December 2001 compared with a surplus of US $ 2.7 billion during the corresponding period of the previous year. While merchandise trade deficit, on BOP basis, narrowed from US $ 12.0 billion in April-December 2000 to US $ 9.5 billion in April-December 2001, the surplus on the invisibles account were marginally lower at US $ 8.8 billion during April-December 2001 compared with US $ 8.9. billion recorded in April-December 2000. Foreign exchange reserves (including gold & SDRs) increased by US $ 4245 million in 2000-01 and by US $ 11825 million in 2001-02. They have increased further by US $ 699 million in the current financial year upto April 12, 2002. These facts indicate that India's balance of payments remained very comfortable in recent years.

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†Original notice of the question was received in Hindi.

(c) The country's balance of payments position is monitored closely both by the Government and the Reserve Bank of India and appropriate measures are taken, when necessary, to increase the growth of exports and invisible receipts and to enhance the level of non-debt creating capital flows, particularly of foreign investments, so as to help maintain a viable balance of payments position and an adequate level of foreign exchange reserves.

Relaxation in income tax ceiling

†3167. SHRI BACHANI LEKHRAJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Trade Unions have demanded relaxation in the Income-Tax ceiling;

(b) if so, whether Government have since considered their demands;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) to (d) A number of representation regarding relaxation in the income tax ceiling have been received during the prc-Budget exercise for the Budget 2002-2003. These representations have been considered and the decision of the Government is reflected in the Finance Bill, 2002.

†Original notice of the question was received in Hindi.